Maximizing Your Dental Refining Returns

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Dental scrap refining has always been a crucial element of any dental laboratory. However, with a sluggish economy, increased competition (domestic and overseas), and soaring commodity prices, your scrap refining looms that much larger as a revenue generator. Most articles written about dental scrap refining focus on collection methods from the lab perspective – that's the easy part. The difficult part enters into the picture once your scrap leaves your lab, when all control leaves your hands and passes onto the refiners. I will try and help provide you with the proper tools in mitigating risks and maximizing returns.

Collecting Scrap

Make sure you are aware of all potential sources of precious metal scrap. The main sources include bridges, crowns, inlays, clasps, grindings, casting splash, flashings, sweeps, vacuum bags, crucibles, towels, rugs and ventilation systems.

Process and store precious and non-precious metals in separate areas. Doing this makes it easier to monitor and keep tabs on what and how much you sent in to the refiner. This will be crucial in your long-term monitoring of scrap returns.

While there are many sources of revenue from dental scrap, your three main subsets will be solids, grindings and sweeps. When collecting and sending in scrap, keep solids, grindings and sweeps in separate packaging and label accordingly. In general, separating solids from dusts and low-grade from high-grade material will ensure better accuracy and less room for error in processing and assaying.

Before You Ship

Arm yourself with information. For *both* current and previous shipments, know the prices for all four elements (gold, platinum, palladium and silver), weights, alloy composition and dates of all previous scrap returns. It is very difficult to compare scrap return without knowing all of this information. For example, receiving $10,000 for current scrap compared to $7,000 for your last scrap shipment does not necessarily mean you had a better return if your current shipment contained twice as much material as last time and metal prices have increased 40 percent since last scrap shipment. Conversely, receiving a smaller scrap amount does not necessarily mean you are receiving a worse return if you have changed from a high-gold to a low-gold alloy and the scrap shipment is for half the time period of the previous shipment.

Weigh your scrap and the different subsets of scrap before sending it to the refiner. Specifically, weigh solids, grindings and sweeps separately. When comparing scrap returns, you must know the weights of each group, not just total weight. A pound of grindings is worth more than a pound of floor sweeps.

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In sum, educate yourself with information prior to shipping scrap to the refiner. Be ready to compare apples with apples, and not apples with oranges. Knowledge is the key.

Choosing a Refiner

Refine your scrap, do not sell it! Do not sell your scrap to a "broker or mid-

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dle man." Be wary of individuals who offer to buy your scrap on the spot for cash. Without melting and assaying the material, it is impossible to ascertain the metal content of the material. To account for the broker's profit and the uncertainty of the metal content, the cash offer usually is very conservative. The only way to receive full and fair value is to send it to a refiner for a full and accurate four-metal assay.

If it sounds too good … be wary of "blue sky" promises like "5 percent refining fees," "95 percent return!" Dental scrap refining is a complicated process, requiring expensive equipment and qualified staff. If the fees sound suspiciously low, be wary. Don't focus on fees, rather focus on returns. Lower advertised fees do not necessarily translate into higher scrap returns. Also, you may want to look twice at companies who randomly send out shipping containers to every lab and dentist in the country on a regular basis. These are very large financial expenditures which have to be recouped in some manner, somehow.

Experience and Reputation – Dental scrap refining is a complicated process and takes years of experience in refining dental materials to acquire sufficient expertise. An inexperienced refiner easily can leave large amounts of your metal in slag residue, resulting in considerable metal loss for you. Make sure the refiner can handle solids as well as non-solids that require burning (vacuum bags, carpets, rags, etc). Make sure the settlement report is transparent and includes all four metals. In addition, make sure you ask your refiner how they calculate the metal prices used on the settlement report – is it the date they receive the material, the date the assay is complete, the average from receipt to assay or does the refiner choose a date most advantageous to them? Ask your friends or colleagues about their experience with a particular refiner. Does the refiner provide insurance, free pickup, online scheduling, a way to track the package, dental affiliations or partnerships? These are all very important questions to have answered.

The world of dental refining can sometimes be filled with uncertainty. Hopefully these tips and suggestions will help mitigate the risks and maximize returns.

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